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CONFIDENTIAL

13 December 1950

MEMORANDUM FOR: The Comptroller

FROM: Finance Branch

SUBJECT: Status Report.

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1. In connection with the statement of Finance Branch personnel positions, submitted to the Comptroller on 12 December 1950, the following information is presented with respect to the general status of the Finance Branch.

2. The five sections and several units of the Finance Branch have now been established and staffed and are in full operation under trained supervisors, who have been delegated proper responsibility and authority. In each case the handling of current work is progressing satisfactorily and, in addition, the backlog of work which developed during the period of recruitment and training is being reduced while processing and procedures are being improved.

3. It will be noted from the personnel chart that field trainees are being utilized in certain departmental positions while awaiting security clearances of regular incumbents. This situation, which requires frequent rotation in order to provide adequate training in all sections, does not lend itself to the most accurate analysis of the T/O with respect to adequacy and future requirements. However, it is our opinion that no adjustments should be made at this time. Instead, we recommend another review in approximately two months, at which time security clearance of all recruits will probably have been obtained and training will have progressed to a point which will permit accurate decisions. By this time we also expect to have reduced general overtime work to peak load periods and priority activities. It is noted that our present T/O is based upon a management survey in February 1950 and provided for estimated requirements of volume of work at that time. There has since been a material increase in volume. However, we believe that savings have been and can be effected by improvement of procedures and operations and that the need for additional personnel will not be in proportion to the increase in volume of work. Specifically, we believe that with very few exceptions, future needs will be in the lower grade clerical level.

4. The use of extensive overtime, which has permitted progress to our present position, has been materially reduced and is being closely controlled with a view toward further progressive decrease consistent with reasonable schedules for the elimination of the backlog of work and keeping abreast of current priority requirements.

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5. Following the increase in personnel, and as rapidly as permitted by their training program, we have initiated a major improvement program based upon experience gained over the past several years. This program is designed to correct the inadequacies which have developed as the direct result of the rapid and substantial increase in the volume of CSO and (notably) OPC activities. This program includes:

a. Staffing of foreign field stations with trained finance employees with a view toward the immediate improvement in the accounts rendered, to be followed by delegation of greater authority and responsibility to the field.

b. The centralization of processing and pre-audit functions with specific Finance Branch sections to secure greater efficiency and standardization. (Agent accounts to be transferred from the Certifying Officers to Payroll and Travel and Accounts Sections as appropriate, subject only to security limitations prescribed by I&S Staff.) This action will eliminate much of the continuous liaison between auditors, accountants and clerks with employees of the operating offices; will provide uniformity in the treatment of accounts from all sources, and will to the greatest degree possible eliminate misunderstandings and duplication of effort.

c. The Deputy Comptroller has initiated revised agent contractual policies and procedures which will be of material assistance to the Finance Branch. In general, these procedures are a prerequisite to the action described in (b.) above. The most notable change is the standardization and simplification of contractual principles which will permit the administration of agent contracts in a routine manner at lower grade levels and by appropriate functional units.

d. Establishment of more flexible and satisfactory facilities to effect secure payments to employees and agents. This will obviate the need for individual handling of covert transactions. This action is now awaiting concurrence by General Counsel and I&S Staff.

e. Establishment of a unit with sole responsibility for the processing and audit of commercial contracts accounts (procurement and development).

f. Improvement of Agency procedures and policies governing travel, travel orders and per diem. This action was started with the approval of the Chief, Special Support Staff and specific draft proposals have been submitted to the Comptroller, Director of Personnel and the Chief of Services, for consideration. This matter has been discussed with [redacted] and others, and it is

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believed that efforts to date of the Finance Branch will be of considerable benefit to these administrative offices now responsible for these functions. Such policies and procedures when adopted will permit improvement in finance procedures.

g. General improvement of files, documentation and procedures designed for the facilitation of audit of our accounts. This consideration is included in all of the above. However, there are many other improvements contemplated (Machine Records, etc.) which will be of prime interest in post audit. These matters have, in general, been developed by or with the Audit Division, IG Staff.

6. In conclusion, we foresee no interruption, but rather acceleration of the present upward trend toward the reduction of present backlog, the improvement of procedures, and increased efficiency.

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Acting Chief, Finance Branch

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